

SECOND REGULAR SESSION

# HOUSE BILL NO. 2719

## 99TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE WASHINGTON.

6758H.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 99, RSMo, by adding thereto one new section relating to a tax credit for the purchase of blighted property.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 99, RSMo, is amended by adding thereto one new section, to be known as section 99.720, to read as follows:

**99.720. 1. As used in this section, the following terms mean:**

(1) "Authority", a public body corporate and politic created by or under section 99.330 or any other public body exercising the powers, rights, and duties of such an authority;

(2) "First-time home buyer", an individual with no present ownership interest in a principal residence during the three-year period ending on the date of the purchase of the principal residence in which the individual is seeking a tax credit under this section;

(3) "Purchase", any acquisition of property except for acquisitions from a person related to the person acquiring the property or related to the spouse of the person acquiring the property. Persons shall be considered related only if they are within the first or second degree of consanguinity or if the relationship between such persons would result in the disallowance of losses under section 267 of the Internal Revenue Code of 1986, as amended.

2. Any person meeting the requirements of subsection 3 of this section and purchasing property meeting the requirements of subsection 4 of this section shall be eligible for a credit against the tax imposed under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to five thousand dollars. The

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 tax credit shall not be claimed more than once, or by more than one person, for a  
19 particular property.

20 3. To be eligible for the tax credit provided in this section, an applicant shall meet  
21 the following requirements:

22 (1) Be a first-time home buyer of the property subject to the tax credit;

23 (2) Enter into an agreement with the authority requiring the applicant and any  
24 subsequent owner, except any lender with a security interest, to use the purchased property  
25 as a single family, principal residence of the owner for a period of at least two years  
26 following rehabilitation of the property, unless the authority finds such requirement to be  
27 a hardship for the owner-occupant;

28 (3) Purchase the property within one year prior to the application date or produce  
29 a contract for the purchase of the property requiring acquisition not more than six months  
30 following the application date; and

31 (4) Have an income at the time of acquisition at or below the income levels  
32 described in subdivision (2) of section 32.105.

33 4. To be eligible for the tax credit authorized under this section, a property shall  
34 meet the following requirements:

35 (1) Be eligible for a tax abatement certificate under section 99.700 and have had an  
36 application for the same submitted to the authority;

37 (2) Be vacant for at least six months prior to the purchase by the applicant;

38 (3) Be blighted in part due to the governing body, or its subordinate department,  
39 of the municipality containing the property having:

40 (a) Determined that because of its deteriorated physical condition the property is  
41 a dangerous building and thereby uninhabitable; or

42 (b) Issued and there remain outstanding property maintenance code violations; and

43 (4) Be likely to meet the definition of an affordable housing unit as defined in  
44 section 32.105 for the two-year period described in subdivision (2) of subsection 3 of this  
45 section.

46 5. The authority may prescribe rules for applications to receive the tax credit  
47 authorized by this section. The authority may require applicants to provide evidence, in  
48 a form acceptable to the authority, that the requirements of this section have been met.  
49 The authority, upon finding that a taxpayer and the property are eligible for the tax credit  
50 authorized by this section, shall issue a certificate to the taxpayer evidencing the issuance  
51 of the credit. If the authority finds the agreement described in subdivision (2) of subsection  
52 3 of this section has been breached by the taxpayer, the authority shall notify the  
53 department of revenue, which may, in its discretion, within four years following issuance

54 by the authority of the certificate evidencing the tax credit, seek recapture from the  
55 taxpayer of all or a portion of the tax credit.

56       6. The tax credit authorized by this section shall not be refundable. Any amount  
57 of credit that exceeds the tax due for a taxpayer's tax year may be carried back to any of  
58 the taxpayer's three prior tax years or carried forward to any of the taxpayer's five  
59 subsequent tax years. The tax credit shall not be assignable. The taxpayer shall submit,  
60 at the time of filing the taxpayer's return, a certificate issued by the authority. In the case  
61 of failure to attach the certificate, no credit under this section shall be allowed for that year  
62 until the certificate is provided to the department of revenue.

63       7. Under section 23.253 of the Missouri sunset act:

64       (1) The program authorized under this section shall automatically sunset on  
65 December thirty-first six years after the effective date of this section unless reauthorized  
66 by an act of the general assembly;

67       (2) If such program is reauthorized, the program authorized under this section  
68 shall automatically sunset on December thirty-first twelve years after the effective date of  
69 the reauthorization of this section; and

70       (3) This section shall terminate on September first of the calendar year immediately  
71 following the calendar year in which the program authorized under this section is sunset.

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